

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6422

BILL NUMBER: SB 110

DATE PREPARED: Apr 10, 2001

BILL AMENDED: Apr 9, 2001

SUBJECT: Child Care Ministries and Step Ahead Councils

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FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides certain standards that a child care provider that receives a child care development voucher must meet. The bill specifies that a local Step Ahead Council may not require child care ministries to meet additional standards unless those additional standards are approved by the General Assembly or the Division of Family and Children.

The bill also requires the Division of Family and Children to adopt rules to require that each child who is less than 18 years of age and who resides in a family that receives monthly cash assistance payments through the Temporary Assistance to Needy Families program (TANF) receive the childhood immunizations recommended by the American Academy of Pediatrics. The bill provides an exemption to the immunization rule if: (1) the parent or other adult caretaker relative refuses to have the child immunized because of religious beliefs; or (2) the parent or other adult caretaker relative provides documented medical evidence from a licensed physician that an immunization is not available or appropriate for the child.

This bill also allows a Class I child care home to serve a school-age child during a break in the school year that exceeds four weeks if: (1) the school-age child was at the home part-time during the four months preceding the break or has a sibling attending the child care home; and (2) the child care home and its licensee meet certain requirements. The bill removes the requirement that a person reside in a child care home to qualify for a license to operate a Class II child care home. It also lifts the July 1, 1996, moratorium imposed on the licensure of Class II child care homes. The bill also changes the definition of "child care center".

Effective Date: (Amended) Upon Passage; July 1, 2001.

Explanation of State Expenditures: (Revised) The bill stipulates that a local Step Ahead Council may not require a child care ministry, a state license-exempt child care provider class, to meet standards in addition to those specified in the bill unless those standards are approved by the General Assembly or the Division

of Family and Children. The bill adds three items to the list of minimum standards recommended by the Division of Family and Children. The additional items are: (1) the provision of a working telephone; (2) to document and conduct monthly fire drills; and (3) to ensure that firearms, ammunition, chemicals, bleach, and cleaning materials are not accessible to children. All child care providers, regardless of licensure status, must comply with all eight standards in order to be a certified provider in the Child Care and Development Fund voucher program. If the provider chooses not to accept the requirements, the provider is not eligible to receive federal subsidy payments.

This bill requires each child in a TANF family to receive the childhood immunizations recommended by the American Academy of Pediatrics. Family and Social Services Administration (FSSA) reports that this provision will affect about 1,882 cases within the TANF control group. Failure to comply would cost a TANF family \$59 per month. Based on compliance rates within the TANF treatment group, expected expenditure reductions from sanctions in the control group are about \$100 per month.

This bill will allow children who attend a Class I child care home after school or on long breaks to attend the same home over summer vacation if certain requirements are met. It also allows individuals to apply for licensure of new Class II child care homes and lifts the restriction that a person must reside in the facility. These changes in licensing provisions are not anticipated to have an impact on the current level of state expenditures.

Background Information: A Class II child care home serves more than 12 but not more than 16 full-time and part-time children at any one time. A Class II license requires more stringent fire prevention and safety precautions than those in place for a Class I license. A total of 58 Class II child care homes are currently licensed by the State. Current law does not allow for any additional Class II child care homes; the enabling statute required that all Class II licenses had to have an application date before July 1, 1996. Qualifications for the Class II license require the applicant to have a Class I license or at least one year's experience in a child care home or child care center. It is not anticipated that lifting the restriction on this license classification will result in a net increase in applications for child care licenses. The impact may be a limited number of requests to convert certain Class I licenses to Class II licenses.

In contrast to the existing Class II child care home regulations, a Class I child care home may or may not be the care-giver's residence and is not required to meet the more stringent fire safety requirements of the Class II home. The Class I child care homes may serve any combination of 12 full-time or part-time children at any one time plus 3 children enrolled in at least grade 1. Currently, the additional three school-aged children may not be served when the break in the school year exceeds four weeks. The provider's child or relative that is over the age of 7 years is not counted in the attendance limit. The rules currently limit the maximum number of children under the age of 11 years that may be present at any time during the day to a maximum of 15, including the care-giver's related children. There are currently 2,078 licensed Class I child care homes in Indiana.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: The Family and Social Services Administration, Division of Family and Children.

Local Agencies Affected: Local Step Ahead Councils.

Information Sources: Susan Preble, FSSA Legislative Liaison (232-1149).